GOVERNMENT OF INDIA
ATOMIC ENERGY
LOK SABHA

UNSTARRED QUESTION NO:2076
ANSWERED ON:07.12.2011
INDIAN RARE EARTHS LIMITED
Kodikunnil Shri Suresh

Will the Minister of ATOMIC ENERGY be pleased to state:

(a) the total quantity of rare earth material extracted and sold by Indian Rare Earths Limited during the last three years and the current year, year-wise;

(b) whether the Indian Rare Earths Limited has sold its products especially Ilmenite to private companies;

(c) if so, the details thereof and the reasons therefor;

(d) whether Indian Rare Earths Limited at Chavara has incurred huge losses due to the fraudulent sale of Ilmenite; and

(e) if so, the details thereof and the action taken by the Government in this regard?

Answer

THE MINISTER OF STATE FOR PERSONNEL, PUBLIC GRIEVANCES & PENSIONS AND PRIME MINISTER'S OFFICE (SHRI V. NARAYANASAMY) :

(a) Indian Rare Earths Ltd.(IREL) a public sector undertaking under the Department of Atomic Energy has not extracted rare earth material from monazite during the last three years. However, the Company has sold small quantities of rare earth compounds available in stock in domestic market. The details of supply thereof during 2008-09, 2009-10, 2010-11 and current year 2011-12 (upto November 2011) are given in the enclosed Annexure −A.

(b) Yes, Sir.

(c) For Ilmenite, the major customers are Synthetic Rutile (SR) and Titanium Dioxide (TiO2) producers. Details of Synthetic Rutile and TiO2 producers are given below:

Sl.No.	Party	Sector
1.	Cochin Minerals & Rutile Ltd., Alwaye	Private
2.	DCW Ltd., Thootukody	Private
3.	Kerala Minerals & Metals Ltd., Chavara	Kerala State PSU
4.	Kilburm Chemicals, Thootukody	Private
5.	Kolmak Chemicals, Kolkata	Private
6.	Travancore Titanium Products Ltd. TVM	Kerala State PSU

#1 & 2 are SR producers and the rest are TiO2 producers.

As can be seen from the above, there are only two companies in the public sector with one of them having own mining and mineral separation facility who require material only when they cannot meet their requirement through their internal resources. Thus, out of five potential major buyers of Ilmenite four are from private sector and one is PSU and accordingly sales to private sector are imperative for sustained operations of the Company.

In addition to the above, there are numerous small customers who produce welding electrodes and ferro alloys who are almost entirely in private sector mainly SSI units that procure relatively small tonnage of Ilmenite as compared to the SR/TiO2 producers.

IREL is a commercial organisation. Decisions relating to sales are made in accordance with the delegation of powers by Board of Directors to the Chairman & Managing Director (CMD) and Functional Directors. Sales decisions in respect to quantity and price are influenced by factors that include, the need for IREL to maintain its market presence in various user sectors in domestic and international markets; maintain its market presence and hold it to its customers in a sustainable manner in the long term; differential rates were necessary between different buyers depending on whether they are part-competitors to IREL, or depend on IREL only for their materials supplies; and achieve customer loyalty in the long run.

(d) No, Sir.

(e) Not applicable in view of reply to (d) above.